

STATE OF MINNESOTA  
DEPARTMENT OF COMMERCE  
BULLETIN 95-2

In the matter of rules exempting insurers  
from certain filing requirements for commercial  
lines of insurance.

Issued and entered this  
25th day of January, 1995  
by James E. Ulland  
Commissioner of Commerce

Minnesota Statutes Chapter 70A provides authority for regulatory requirements concerning filing of policy forms and rate schedules for most lines of property and casualty insurance. Minnesota Statutes § 70A.02, subd. 3 provides:

The commissioner may exempt from any or all of the provisions of this chapter, if and to the extent that the commissioner finds their application unnecessary to achieve the purposes of this chapter;

- (1) Any specified person by order, or class of persons by rule; and
- (2) Any specified risk by order, or any line or kind of insurance or subdivision thereof or class of risks or combination of classes by rule.

Pursuant to the authority granted under Minnesota Statutes §70A.02, the commissioner has promulgated rules that exempt insurance companies from filing certain policy forms and schedules of rates used solely for commercial insureds. All policy forms and rate schedules, except for those kinds of insurance described under Minnesota Rules Part 2700.2460, shall be considered commercial lines for exemption purposes. This exemption does not apply to Rate Service Organizations, nor does it apply to workers' compensation filings since they are not regulated under Minnesota Statute Chapter 70A. In addition, the new rules will not apply to Motor Vehicle Service Contracts, which are regulated under Minnesota Statute Chapter 65B.

The Notice of Adoption for these rules appeared in the State Register on January 23, 1995 (Volume 19, Page 1581). In accordance with Minnesota Administrative Procedures Act, the rules will become effective on January 30, 1995. Following is a copy of the new rules as adopted:

**2700.2460 DEFINITION OF COMMERCIAL POLICIES.**

"Commercial policies" means all policy forms regulated by Minnesota Statutes, section 70A.06, that by general practice are used for business entities. The term does not

include policy forms providing private passenger vehicle insurance or homeowners' insurance, personal liability coverage, personal property or personal article floater coverage, credit property coverage, crop hail insurance, title insurance, or professional liability insurance covering individuals. The term does not include policy forms insuring individually owned motorcycles, motorized bicycles, recreational equipment, mobile homes, house trailers, snowmobiles, water craft, aircraft not used in air commerce, or owner occupied residential dwellings containing fewer than five family dwelling units.

#### 2700.2470 EXEMPTION FROM CERTAIN FILING REQUIREMENTS.

Subpart 1. Commercial policy forms. If the commercial policy forms of an insurer comply with the requirements in Minnesota Statutes, the insurer shall be exempt from the filing and approval requirements in Minnesota Statutes, section 70A.06, subdivision 2, for those policies.

Subpart 2. Commercial policy rates. If the rates of an insurer for commercial policy forms comply with the requirements in Minnesota Statutes, the insurer shall be exempt from the filing requirements in Minnesota Statutes, section 70A.06, subdivision 1, for those rates. This subpart does not apply to guide "a" rates or excess rates, also known as "consent to rate."

Subpart 3. Other rates. Insurers shall be exempt from the filing requirements in Minnesota Statutes, section 70A.06, for guide "a" rates and excess rates used for commercial policies of insurance if the rates comply with the requirements in Minnesota Statutes and the insurer maintains a file containing the information required by Minnesota Statutes, section 70A.06, subdivision 1, for the policy for at least one year after the policy has terminated.

Subpart 4. Rate service organizations. The exemption provided in this section does not apply to rate service organizations, as defined in Minnesota Statutes, section 70A.03.

#### 2700.2480 FILING OF EXEMPT INFORMATION.

An insurer shall within 30 days of request provide the commissioner of commerce with any of the information for which part 2700.2470 provides exemption from filing.

#### END OF RULES

#### ADDITIONAL INFORMATION.

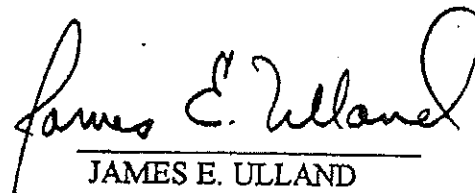
A Minnesota domiciled insurer filing a commercial form with the commissioner because another state requires home state approval as a filing condition should indicate this in the filing letter.

One of the reasons for these rules is to materially reduce the number of filings. To achieve that result, it is essential that you not make a filing unless you believe it is required. Do not submit filings that are exempt with the belief that this will compel us to make the decision.

If an exempt form includes provisions or an attachment which might otherwise not be exempt, please do not file the form if the portion that is not exempt is only incidental to the overall policy. Examples of forms that should not be filed would be as follows:

- (1) A form which provides personal automobile coverage, but is designed to be attached to a commercial automobile fleet policy.
- (2) A form which provides comprehensive personal liability coverage, but is designed to be attached to a comprehensive general liability policy.

For further clarification of these rules, direct inquiries to: William R. Kyle, Manager, Property/Casualty and Self Insurance, 133 East 7th St., St. Paul, MN. 55101.

  
JAMES E. ULLAND  
Commissioner of Commerce